

CONTRACT #4
RFS # 331.95-021-05

Department of Education

VENDOR:
Yahasoft, Inc.



RECEIVED
MAY 11 2007
FISCAL REVIEW

PHIL BREDESEN
GOVERNOR

STATE OF TENNESSEE
DEPARTMENT OF EDUCATION
6th FLOOR, ANDREW JOHNSON TOWER
710 JAMES ROBERTSON PARKWAY
NASHVILLE, TN 37243-0375

LANA C. SEIVERS, Ed.D.
COMMISSIONER

TO: Mr. Jim White, Fiscal Review Committee
FROM: Lana C. Seivers, Commissioner *LCS*
DATE: May 10, 2007
RE: Request to appear before Fiscal Review Committee regarding Request for Non-Competitive Amendment to Contract # FA-05-16355-00

Please consider the enclosed information regarding a request for Non-Competitive Contract between the Department and Yahasoft, Inc.

The proposed amendment will allow the vendor to provide the following new deliverables for the Department's Early Intervention Program

- Development of an Accounts Payable section in the current Tennessee Early Intervention Data System (TEIDS)
- Development of Fiscal Reporting for Targeted Case Management
- Development of Ad Hoc Query tools for State and District users
- Data Conversion and Quality control
- Development of new reports
- Development of a new "crosswalk" section between the child's service plan and the Accounts Payable function in the data system.

The total increase in the maximum liability for these additional scope items is \$217,300.00 which will be fully funded with Federal dollars.

Thank you for your consideration.

CC: Dr. Timothy K. Webb,
Mr. Joseph Fisher
Mr. Jamie Kilpatrick

REQUEST: NON-COMPETITIVE AMENDMENT

COPY

To DCR
5/10

APPROVED

Commissioner of Finance & Administration

Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

| | | |
|--|--|--|
| 1) RFS # | 331.95-021-05 | |
| 2) State Agency Name : | Tennessee Department of Education | |
| EXISTING CONTRACT INFORMATION | | |
| 3) Service Caption : | Development of the Tennessee Early Intervention Data System (TEIDS) | |
| 4) Contractor : | Yahasoft, Inc. | |
| 5) Contract # | FA -05-16355-00 | |
| 6) Contract Start Date : | 4/13/05 | |
| 7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised : | 3/14/2010 | |
| 8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised : | \$493,825.00 | |
| PROPOSED AMENDMENT INFORMATION | | |
| 9) <u>Proposed</u> Amendment # | 01 | |
| 10) <u>Proposed</u> Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt) | 07/15/07 | |
| 11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised : | 03/14/2010 | |
| 12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised : | \$711,125.00 | |
| 13) Approval Criteria : (select one) | <input checked="" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service | |
| 14) Description of the Proposed Amendment Effects & Any Additional Service : | | |
| This amendment will allow the vendor to provide the State with the following new deliverables: | | |
| a. Development of an Accounts Payable section (as defined in response to question 14) of the database by 6/30/07 - increase in maximum liability of \$16,500.00 b. Development of Fiscal Reporting Functions for Targeted Case Management (as defined in the response to question 14) reporting function for State and District Administrators by 6/30/07 - increase in maximum liability of \$13,725.00 c. Development of Ad Hoc Query tools (as defined in the response to question 14) for State and District users and | | |

- service providers by 6/30/07 - increase in maximum liability of \$18,225.00
- d. Daily Support and Maintenance (as defined in response to question 14) -Ongoing through 3/14/08 - increase in maximum liability of \$82,450.00
- e. Data Quality Control and Data Conversion(as defined in response to question 14) -Ongoing through 3/14/08 - increase in maximum liability of \$17,250.00
- f. Development of new reports to include service delivery and child attendance (as defined in response to question 14)- 6/30/07 - increase in maximum liability of \$42,225.00
- g. New Maintenance and Support needs for the IFSP "crosswalk" to Accounts Payable(as defined in response to question 14)-Ongoing-7/14/07- increase in maximum liability of \$26,925.00

Total increase in maximum liability = **\$217,300.00**

15) Explanation of Need for the Proposed Amendment :

TEIS is mandated by Part C of the Individuals with Disabilities Education Act (IDEA) to provide early intervention services to eligible infants and toddlers and their families. In order to comply with Federal and State regulations for identifying and tracking eligible children, a state wide, web based system has been developed to maximize the accuracy of this data. Tennessee is committed to a family-centered community-based system of early intervention services for eligible infants and toddlers and their families. As part of that commitment, the Office of Early Childhood proposes to establish a finance system that will support services to children and families served by the Tennessee's Early Intervention System (TEIS). The additional design elements related to TEIDS will allow the Department of Education (DOE) to ensure clear adherence to the Payor of Last Resort Provision by all early intervention service providers in Tennessee. TEIDS will further guarantee that all Providers that receive direct Part C funds will be required to operate with one set of program policies, one set of data rules, one set of rates, and one set of business rules.

DOE has traditionally allowed 9 local points of entry in the nine district offices to subcontract with local vendors for payment of eligible services such a speech, physical, and occupational therapies. To insure the federal requirements that TEIS be the "payor of last resort", it has become evident that a centralized contracting and data management for billing should be implemented to replace a system that has had a history of unexpected cost overruns leading to a frequent occurrence of supplemental funding requests and potential supplanting of federal funds. We currently have a system of locally negotiated fiscal controls, payment policies, contract standards and data management. The need to operate TEIS with sound business practices hinges on developing one set of consistent fiscal practices that will be followed statewide by all staff and vendors. The Tennessee's Early Intervention Data System's Accounts Payable/Fiscal components will be an integral part of the development of a sound administrative plan for the program.

Despite the setting of state-wide rates for services, set by the TN Department of Education, there is an inconsistent delivery of infant/toddler therapies, creating inequities in this system. In one example, a certain vendor may have five separate Point of Entry sub-contracts with varied parameters in each one. In order to operate TEIS with sound business practices a Central Reimbursement Office (CRO) staffed by state employees, primarily in Nashville, will ensure the Federal mandate of "payor of last resort" by:

Accounts Payable section includes the following :

Verifies the therapeutic services appropriate to the child's IFSP and ensures that correct documentation (via TEIDS) for the delivered service was invoiced and billed by the provider in a timely manner
 Verifying appropriate documentation from other payor sources
 Verifying information directly from the service provider (ex. Speech Therapist, Physical Therapist, etc.)according to written/approved business rules

Targeted Case Management fiscal reporting functions includes the following:

Fields for verifying Targeted Case Management contact dates (via documented monthly face to face contacts) with the child for potential Medicaid reimbursement as per the interagency contract with the Department of Children's Services

Ad Hoc Query Tools includes the following: The ability to have search functions such as searching for the child by last name or by district or by child's active/inactive status to insure adherence to state fiscal policies.

Daily Support and Maintenance includes: a Help Desk function for district and state office users as well as service providers entering data. The Contractor is accessible by phone, fax, and email during the course of this contract. The Contractor is also periodically physically present in Tennessee for TEIDS training as per current contract deliverables.

Data Quality Control and Data Conversion includes: testing the system prior to rollout of new functions and the ability to produce data reports

New Maintenance and Support Needs includes: the new ability to "crosswalk" the IFSP team's written child services to the new Accounts/Payable function

This amendment will allow the contractor to provide the State with the necessary programming adjustments to the current data collection system that will make it possible for the State to implement the Central Reimbursement office program statewide

16) Name & Address of Contractor's Current Principal Owner(s) :
 (not required if proposed contractor is a state education institution)

Yahasoft, Inc.
 9505 Knollcrest Blvd.

Alpharetta, Ga. 30022
(678) 549-9899

Roy Su, President and Owner

17) Documentation of Office for Information Resources Endorsement :
(required only if the subject service involves information technology)

select one:

☐

Documentation Not Applicable to this Request

☒

Documentation Attached to this Request

18) Documentation of Department of Personnel Endorsement :
(required only if the subject service involves training for state employees)

select one:

☒

Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

19) Documentation of State Architect Endorsement :
(required only if the subject service involves construction or real property related services)

select one:

☒

Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :

To date, the State has not explored use of a procurement alternative. The current contract was awarded through RFP process in April 2005. Yahasoft, Inc. has created all deliverables in developing Tennessee's Early Intervention Data System (TEIDS) specifically for Tennessee's Early Intervention System (TEIS); adding an accounts payable function over the next two fiscal years should be considered a natural progression in the scope of services and will help avoid delays/interruptions in state wide services to eligible children and the production of data required by the Federal Office of Special Education Programs.

No other vendor has been researched or identified to provide the State with the additional deliverables that will be needed to form a centralized reimbursement on TEIDS as further defined in responses to questions 14 and 20. Recruiting and training a new vendor would create an undo burden and excessive cost to TEIS including interruption of services to children.

21) Justification for the Proposed Non-Competitive Amendment :

As of 4/7/07, after completing a fiscal analysis of TEIS with the support of the Governor's Office of Children's Care Coordination (GOCCC), the Division of Special Education is recommending the implementation of a Central Reimbursement Office (CRO) which includes the need for additional TEIDS programming:

The CRO /TEIDS Accounts Payable features should :

- Track and report all resources used for Early Intervention (EI) services
- Receive and dispense all relevant State and Federal EI resources for maximum use
- Assist in the provision of processing timely reimbursement to providers of EI services
- Meet financial and demographic reporting needs of Federal , State, and Local funding sources
- Manage the level of resources to ensure fiscal accountability
- Provide web based access to information using appropriate safeguards to assure confidentiality and the rights of the child and family
- Provide financial projections on the cost of EI services via the electronic data system (TEIDS)
- Verifying all invoices via TEIDS to approved vendors by matching the service to the child's IFSP
- Transmitting payments to providers via TEIDS from a pool of Federal and State allocations as well as Medicaid reimbursements via the current Targeted Case Management (TCM) Billing contract with the Dept. of Children's Services
- Quality assurance and auditing reports will periodically be produced and compared to TEIDS data and on-site records

The CRO (Central Reimbursement Office) will seek support from the Department of Education to establish and enforce guidelines that prevent excessive service provision over and above Early Intervention /Part C obligations. Centralizing payment according to state-wide operating rates establishes equity across geography, programs, and disciplines. Centralized pooling of funds maximizes utilization of multiple fund sources, lowers distribution costs and eliminates indirect cost rates and other grant contracting difficulties.

Adding to the scope of services in the current contract will be the most efficient use of state funds. This state- wide data system has already demonstrated efficiencies via a prototype model that the Contractor has developed following the recommendations of The Governor's Office of Children's Care Coordination for a Central Reimbursement Office.

TEIDS intends to assure accountability for TEIS resources via Yahasoft, Inc. by:

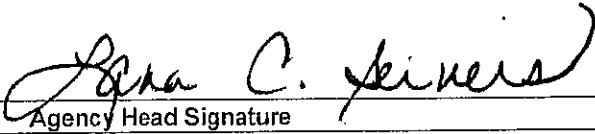
- Centralize contracting in DOE Administration. Integrating reporting elements into TEIDS
- Consolidate billing functions within the existing DOE administration systems.
- Increase by four FTEs the number of billing staff to accommodate the volume of work.
- Align contract Scope of Services to conform to the new system.
- Specify responsibilities of TEIS Districts to develop and maintain good provider relations at the local level.
- Establish Vendor Agreements in lieu of contracts where appropriate.
- Establish Data Management and Federal reporting function and position in OECP to assure better integration of program and

financial management information

The additional cost of this amendment will be will be paid throughout the life of the contract .

REQUESTING AGENCY HEAD SIGNATURE & DATE :

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)


Agency Head Signature

5-9-07
Date

C O N T R A C T S U M M A R Y S H E E T

8-8-05

| | |
|-------------------------|---|
| RFS # | Contract # |
| 331.95-021-05 | FA-05-16355-01 |
| State Agency | State Agency Division |
| Department of Education | TEIS |
| Contractor Name | Contractor ID # (FEIN or SSN) |
| YAHASOFT INC. | <input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- V582585972-00 |

| | | | |
|----------------------------|--------------------------|--------------------------------|---------------------|
| Service Description | | | |
| TEIS - Federal | | | |
| Contract Begin Date | Contract End Date | SUBRECIPIENT or VENDOR? | CFDA # |
| April 13, 2005 | March 14, 2010 | Subrecipient | See Supplement Form |

| | | | | | |
|--|--------------------|--------------------|--|---------------------------|------------------------------|
| Mark, if Statement is TRUE | | | | | |
| <input checked="" type="checkbox"/> Contractor is on STARS as required | | | <input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts as required | | |
| Allotment Code | Cost Center | Object Code | Fund | Funding Grant Code | Funding Subgrant Code |
| 331.95 | var | var | 25 | var | var |
| FY | State | Federal | Interdepartmental | Other | TOTAL Contract Amount |
| 2005 | \$0.00 | \$242,375.00 | \$0.00 | \$0.00 | \$242,375.00 |
| 2006 | \$0.00 | \$138,950.00 | \$0.00 | \$0.00 | \$138,950.00 |
| 2007 | \$0.00 | \$46,875.00 | \$0.00 | \$0.00 | \$46,875.00 |
| 2008 | \$0.00 | \$227,875.00 | \$0.00 | \$0.00 | \$227,875.00 |
| 2009 | \$0.00 | \$28,125.00 | \$0.00 | \$0.00 | \$28,125.00 |
| 2010 | \$0.00 | \$26,925.00 | \$0.00 | \$0.00 | \$26,925.00 |
| TOTAL: | \$0.00 | \$711,125.00 | \$0.00 | \$0.00 | \$711,125.00 |

| | | | |
|---|---|----------------------------|--|
| — COMPLETE FOR AMENDMENTS ONLY — | | | State Agency Fiscal Contact & Telephone # |
| FY | Base Contract & Prior Amendments | THIS Amendment ONLY | John Sharp - 615-532-1658 |
| 2005 | \$242,375.00 | \$0.00 | State Agency Budget Officer Approval |
| 2006 | \$138,950.00 | \$0.00 | |
| 2007 | \$46,875.00 | \$0.00 | |
| 2008 | \$37,500.00 | \$190,375.00 | |
| 2009 | \$28,125.00 | \$0.00 | Funding Certification (certification, required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred) |
| 2010 | | \$26,925.00 | |
| TOTAL: | \$493,825.00 | \$217,300.00 | |
| End Date: | 3/14/2010 | 3/14/2010 | |

| | | | |
|--|--|---|--|
| Contractor Ownership | | | |
| <input type="checkbox"/> African American | <input type="checkbox"/> Person w/ Disability | <input type="checkbox"/> Hispanic | <input type="checkbox"/> Small Business |
| <input type="checkbox"/> Asian | <input type="checkbox"/> Female | <input type="checkbox"/> Native American | <input checked="" type="checkbox"/> NOT minority/disadvantaged |
| <input type="checkbox"/> OTHER minority/disadvantaged— | | | |
| Contractor Selection Method | | | |
| <input checked="" type="checkbox"/> RFP | <input type="checkbox"/> Competitive Negotiation | <input type="checkbox"/> Alternative Competitive Method | |
| <input type="checkbox"/> Non-Competitive Negotiation | <input type="checkbox"/> Government | <input type="checkbox"/> Other | |

| |
|---|
| Procurement Process Summary |
| Contract was awarded through RFP process. |

C O N T R A C T S U M M A R Y S H E E T
S U P P L E M E N T A L S C H E D U L E

| | | | | | | | |
|------------------------|--------------------|--------------------|-------------|-------------------|----------------------|---------------|---------------|
| Contract Number | | FA-05-16355-00 | | | | | |
| Fiscal Year | | 2005 | | | | | |
| Allotment Code | Cost Center | Object Code | Fund | Grant Code | Subgrant Code | CFDA # | Amount |
| 331.95 | 580 | 083 | 25 | KA6 | AAX | 84.181 | \$157,543.75 |
| 331.36 | 445 | 083 | 25 | LM5 | AAX | 84.173 | \$84,831.25 |
| | | | | | | | |
| Fiscal Year | 2006 | | | | | | |
| 331.95 | 580 | 083 | 25 | KA6 | AAX | 84.181 | \$90,317.50 |
| 331.36 | 445 | 083 | 25 | LM5 | AAX | 84.173 | \$48,632.50 |
| | | | | | | | |
| Fiscal Year | 2007 | | | | | | |
| 331.36 | 445 | 083 | 25 | LM6 | AAX | 84.173 | \$16,406.25 |
| 331.95 | 580 | 083 | 25 | KA6 | AAX | 84.181 | \$30,468.75 |
| | | | | | | | |
| Fiscal Year | 2008 | | | | | | |
| 331.95 | 580 | 083 | 25 | KA8 | AAX | 84.181 | \$78,700.00 |
| 331.36 | 445 | 083 | 25 | LM7 | ACX | 84.173 | \$67,450.00 |
| | | | | | | | |
| Fiscal Year | 2009 | | | | | | |
| 331.95 | 580 | 083 | 25 | KA8 | AAX | 84.181 | \$72,606.25 |
| 331.36 | 580 | 083 | 25 | KA8 | AAX | 84.181 | \$64,168.75 |
| | | | | | | | |
| | | | | | | | |
| TOTAL | | | | | | | \$711,125.00 |

**AMENDMENT # 01
TO CONTRACT FA-05-16355-00**

This Contract, by and between the State of Tennessee, DEPARTMENT OF EDUCATION, hereinafter referred to as the State, and YAHASOFT INC., hereinafter referred to as the Contractor, is hereby amended as follows:

1. Add the following as Section A.II.b.12:

- Q. Allow for the verification of the therapeutic services appropriate to the child's IFSP and receipt of correct documentation (via TEIDS) for the delivered service as invoiced and billed by the provider.
- R. Allow for verification of appropriate documentation from other payor sources
- S. Allow for the verification of information received directly from the service provider (ex. Speech Therapist, Physical Therapist, etc.) according to written/approved business rules

2. Add the following to Section II.c.19:

- G. TEIDS Data Quality Control and Data Conversion includes testing the system prior to rollout of new functions and the ability to produce data reports

3. Add the following to Section A.II.d.

The TEIDS Targeted Case Management fiscal reporting function will include the development of fields for verifying Targeted Case Management contact dates via documented monthly face to face contacts with the child for potential Medicaid reimbursement

The TEIDS Ad Hoc Query Tools will allow for the ability to have search functions such as searching for the child by last name or by district or by child's active/inactive status to insure adherence to state fiscal policies.

4. Add the following as Section III.b.7.

II.b.7. Daily Support and Maintenance

This Category describes the Daily Support and Maintenance needed after the implementation of the TEIDS software.

- A. TEIDS Daily Support and Maintenance includes a Help Desk function for district and state office users as well as service providers entering data. The Contractor is accessible by phone, fax, and email during the course of this contract. The Contractor is will be present in Tennessee for TEIDS training as per current contract deliverables.
- B. TEIDS will include the ability to crosswalk the IFSP team's written child services to the Accounts/Payable function.

5. Delete in its entirety C.1. and replace with the following:

- C.1 Maximum Liability. In no event shall the maximum liability of the State under this Contract exceed Seven Hundred Eleven Thousand One Hundred Twenty Five Thousand Dollars and No Cents (\$711,125.00). This amount shall constitute the entire compensation due the Contractor for the Service and all of the Contractor's obligations hereunder regardless of the difficulty, hours worked, or materials or equipment required. The Contract Amount includes, but is not limited to, all applicable taxes, fees, overhead, profit, and all other direct and indirect costs incurred or to be incurred by the Contractor.

6. Add the following to Section C.3.

| | |
|--|---|
| Development of an Accounts Payable of the TEIDS database – Due on or before 8/30/07 | \$16,500.00/ Upon Acceptance by the State |
| Development of Fiscal Reporting Functions for Targeted Case Management the response function for State and District Administrators- Due on or before 8/30/07 | \$13,725.00/Upon Acceptance by the State |
| Development of Ad Hoc Query Tools for State and District users and service providers on or before 8/30/07 | \$18,225.00/Upon Acceptance by the State |
| Development of new reports to include service delivery and child attendance on or before 8/30/07 | \$42,225.00/Upon Acceptance by the State |
| Daily Technical Support and Maintenance Ongoing-through 3/14/08 | \$82,000/Upon Acceptance by the State |
| Data Quality Control and Data Conversion Ongoing-through 3/14/08 | \$17,250.00/Upon Acceptance by the State |
| New Maintenance and Support needs for the IFSP crosswalk to Accounts Payable Ongoing-to 3/14/09 | \$26,925.00/Upon Acceptance by the State |

The other terms and conditions of this CONTRACT not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF:

YAHASOFT INC.:

Roy Su, President

Date

DEPARTMENT OF EDUCATION:

Lana C. Seivers, Commissioner

Date

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. Goetz, Jr., Commissioner

Date

COMPTROLLER OF THE TREASURY:

John G. Morgan, Comptroller of the Treasury

Date